

**Testimony for John Mitchell**  
**E-Rate Administrator, Seattle Public Schools**  
**Federal Communications Commission**  
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Federal Communications Commission  
Office of the Secretary**Introduction**

As the person responsible for filing ERate cases, appeals, applications and general correspondence for Seattle Public Schools in Washinton State, I would like to thank the Commission for the opportunity to comment on the E-Rate Program.

I have been fortunate to have been working as a contractor with the E-Rate program since year one, giving me the rare chance to be part of a successful program from its inception. Seattle Public Schools is comprised of 109 learning facilities housing 134 programs. Tucked away in the Northwest corner of our country, we have a diverse economic environment with school lunch subsidy eligibility allowing for discounts from 40% to 90%. Seattle Public Schools acts as a consortium for all programs within the district.

**Direct Benefits**

We have assisted schools in submitting applications for telecommunications, internet connectivity, internal wiring, routing, cabling and fiber optic connectivity. Much of what has been accomplished in Seattle could not have happened without benefit from the E-Rate Program.

Having passed a levy to provide some remodeling to a few of our older schools shortly before the E-Rate program began, the discounts afforded us the ability to provide the latest technology at a price that made it possible to extend our technology dollar across the district. This would not have happened without E-Rate discounts.

This valuable program is about so much more than the connections it provides, it is about E-learning, distance learning, it is about the excitement of learning how a computer operates, how a keyboard works, how email works, how the internet works. It has opened the door to entirely new programs considered coursework as well as lively discussions and discoveries before and after school.

It has provided safer, smarter schools, with better telecommunications for parents, better truancy reporting through the use of improved connectivity, better communication between teachers through E-mail, better recovery from the inevitable hard drive crashes and better backup power systems for our servers.

Instead of spending thousands of dollars each year trying to keep outdated equipment running, E-Rate discounts have helped Seattle Public Schools become a technology

friendly state-of-the-art environment where young minds are allowed to explore our world from their desktops.

## **Indirect Benefits**

Seattle Schools has realized unexpected advantages from the E-Rate program. In December of 2000 the Children's Internet Protection Act was passed and prohibited schools and libraries from receiving discounts unless they were willing to certify they were in compliance. Upon receiving this mandate, the schools, students, technicians, librarians, teachers and administrative staff all worked together to meet the deadline and be sure our students were safe from direct harmful communications or objectionable material. The result was an airtight filtered system with tracking, auditing and blocking all available to network administrators.

In preparation for an audit of our Information Systems, Accounts Payable Department or other areas, and in complying with the strategic plan requirements spelled out in the E-Rate regulations, our school district began to assemble an efficient system of record keeping that has saved us thousands of dollars in incorrect phone bills, and less time lost in retrieving important vendor information. In all Seattle Schools Information Systems has enjoyed a decreased TCO (Total Cost of Ownership) since the adoption of the E-Rate Program.

## **470 Concerns**

Seattle Schools has not received much in the way of competitive bidding through the 470 posting system. While we have received responses, there have been only a few instances where those responses became actual competitive bids. There are several factors that contribute to this.

Vendors may become complacent due to the high incidence of invalid service and equipment needs posted on the 470.

Many of the relationships between schools and vendors have already been established. The geography of the school and vendor may be significant and there may be a need to provide improved tools to allow vendors to access data by location.

In an unestablished relationship between a commercial client like a school or library and a provider of information systems technology or services, it may require a large contract to absorb the costs associated with gaining a new customer. Many of the requests we put out are in essence small and do not generate much competition.

While limited, fraud and abuse may have crept into E-Rate Years 5 and 6, I think the practice of including everything conceivable on a 470 became more commonplace damaging the integrity of the 470 system.

## **State Master Contracts**

The significant internal costs of meeting the state or federal procurement requirements are avoided when employing a state master agreement. Conversely, these costs are not avoided if the 470 method is used, driving up the Total Cost of Ownership. These unavowed costs offset any savings offered by the increased competition.

## **Lack of Flexibility**

Any district with a sizeable project ahead where cabling might be replaced and/or services discontinued or changed, would presumably be in a perfect place to seek discounts from the SLD. The construction schedule for these projects must be put together years in advance for the project to meet a deadline that coincides with the occupation of the renovated structure.

The district must coordinate levy efforts, architects, utilities, construction management, student relocation, bussing, parent and public education, 12 tax money intervals, board meetings, inspections, equipment arrival and staging, demolition, board meeting schedules and fiscal, calendar and E-Rate Years which do not coincide. The difficulty is that the district, if it is to receive benefit from the E-Rate program, must be able to accurately predict when the eligible work will be performed and completed. I believe some process could be provided for these larger districts that face these challenges.

## **Fraud**

Seattle Schools was only a near-victim of marginal activity as we chose to back out of a relationship with a particular vendor. This particular vendor presented us with a multi-state master agreement called the Western States Contracting Alliance (WSCA) which would allow them to provide services to us as long as the State Procurement Office in Washington State approved it. Though it was a maze of complex addendums and attachments we found the agreement did meet the procurement requirements for the state. At the time it seemed that if we had followed this course, we would have expert help with wiring and providing maintenance for our existing servers, routers, etc.

We contacted the districts who had worked with this vendor in E-Rate Year 5 and confirmed their 40+ million dollar internal connections commitment. The problem came when the vendor suggested that we give them any data on school lunch counts. They would send it for "statistical analysis". At the time we were in a 62% shared overall district. With 109 schools, only 12 of them were in the 90% free and reduced eligibility area. When they returned they were confident we had miscounted and could depend on filing future applications with 30 schools at the 90% discount level.

We declined their assistance and a week later the first in a series of published reports was available at the SLD Website regarding problems with this vendor.

In this particular case, I felt the system worked like it should have. The SLD had informed us over the years the danger of consulting vendors for assistance completing forms. The website was current and published relevant information at just the right time.

## **Help Desk Inconsistencies**

Answers given by the helpdesk are often in lieu of any written policy on a given subject. This advice may actually drive million dollar decisions as it did for Seattle School District in 1999.

Following the announcement of an additional application window after the regular period in Year 2, Seattle School District had a question: If we hired a general contractor to oversee a construction project, and they in turn hired a subcontractor to provide the wiring which was to be approved by an Internal Connections Funding Reference Number where the subcontractor had a Service Provider Number, would there be any problem.

The answer we received from a gentleman at the helpdesk was "as long as the name on the Funding Reference Number is registered to the correct Service Provider Number you will be OK".

Our funding \$206,000 was initially denied because the advice he gave us was incorrect. SSD went through a lengthy 2 year process to resolve this issue and we ultimately had to prove the conversation existed.

There has also been some trouble dealing with the support mechanism through email at [question@slcfund.org](mailto:question@slcfund.org). While we would receive immediate responses, many of our requests were never answered definitively.

## **Closing**

In closing, this hearing is an important step to looking at small changes that can help the overall program. E-Rate has provided telecommunications benefits to the Seattle Public Schools and school districts and libraries across the country. Small operating adjustments to the program has the potential to increase access to E-Rate among schools and libraries. It is vital that we continue our support for this important program. We thank you for your willingness to look deeper at this program. I would be happy to answer any of your questions.